

SENATE BILL 561

Unofficial Copy
Q6

2001 Regular Session
11r0872
CF 11r2833

By: **Senator Colburn**

Introduced and read first time: February 2, 2001

Assigned to: Budget and Taxation

Re-referred to: Judicial Proceedings, February 15, 2001

Committee Report: Favorable

Senate action: Adopted

Read second time: March 14, 2001

CHAPTER _____

1 AN ACT concerning

2 **Recordation Tax - Refinancing Instrument**

3 FOR the purpose of altering a certain exemption under the recordation tax for certain
4 instruments of writing securing the refinancing by the original mortgagor of
5 real property that is used as the principal residence by the original mortgagor to
6 provide that a certain affidavit required to qualify for the exemption may be
7 filed by an agent of the original mortgagor; and generally relating to a certain
8 exemption under the recordation tax for certain instruments of writing securing
9 the refinancing by the original mortgagor of real property that is used as the
10 principal residence by the original mortgagor.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - Property
13 Section 12-108(g)
14 Annotated Code of Maryland
15 (1994 Replacement Volume and 2000 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Tax - Property**

19 12-108.

20 (g) (1) In this subsection, "original mortgagor" includes an individual who
21 assumed a debt secured by real property that the individual purchased as a principal
22 residence and who paid the recordation tax on the consideration paid for the property.

1 (2) A mortgage or deed of trust is not subject to recordation tax to the
2 extent that it secures the refinancing of an amount not greater than the unpaid
3 principal amount secured by an existing mortgage or deed of trust at the time of
4 refinancing by the original mortgagor of real property that is used as a principal
5 residence by the original mortgagor.

6 (3) To qualify for an exemption under paragraph (2) of this subsection an
7 original mortgagor OR AGENT OF THE ORIGINAL MORTGAGOR shall include a
8 statement in the recitals or in the acknowledgment of the mortgage or deed of trust,
9 or submit with the mortgage or deed of trust, an affidavit under oath, signed by the
10 original mortgagor OR AGENT OF THE ORIGINAL MORTGAGOR, stating:

11 (i) that the individual is the original mortgagor OR AGENT OF THE
12 ORIGINAL MORTGAGOR;

13 (ii) that the mortgaged property is the principal residence of the
14 original mortgagor; and

15 (iii) the amount of unpaid principal of the original mortgage or deed
16 of trust that is being refinanced.

17 (4) A STATEMENT UNDER PARAGRAPH (3) OF THIS SUBSECTION BY AN
18 AGENT OF THE ORIGINAL MORTGAGOR SHALL STATE THAT THE STATEMENT:

19 (I) IS BASED ON A DILIGENT INQUIRY MADE BY THE AGENT WITH
20 RESPECT TO THE FACTS SET FORTH IN THE STATEMENT; AND

21 (II) IS TRUE TO THE BEST OF THE KNOWLEDGE, INFORMATION,
22 AND BELIEF OF THE AGENT.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2001.